

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE BRISTOL COUNTY WATER AUTHORITY

Wednesday, January 11, 2012

450 Child Street, Warren Office, Warren, RI

Pursuant to proper notice, the regular meeting of the Board of Directors of the Bristol County Water Authority was called to order by Chairman Jannitto at 6:00 pm, 450 Child Street, Warren Office, Warren, Rhode Island. Acting Executive Director/Manager of Customer and Commercial Services, Mr. Joseph Granata and the following Directors were in attendance at the commencement of the meeting:

Joseph DeMelo, Kevin Fitta, William Gosselin, John Jannitto, Allan Klepper, Frank Nencka, Frank Sylvia

Directors Absent: Paul Bishop, Lloyd Matsumoto

HOUSEKEEPING

Minutes of the following meeting were reviewed.

Upon a motion duly made and seconded, it was unanimously

VOTED: That the minutes of the Special Board Meeting of December 8, 2011, be approved.

Upon a motion duly made and seconded, it was

VOTED: That the minutes of the Board Meeting of December 14, 2011, be approved.

Motion passed 6 – 1, Director Nencka voted Nay.

Upon a motion duly made and seconded, it was

VOTED: That the minutes of the Special Board Meeting of December 19, 2011, be approved.

Motion passed 5 – 2, Directors Fitta and Sylvia voted Nay.

Upon a motion duly made and seconded, it was

VOTED: That the minutes of the Special Board Meeting of December 20, 2011, with corrections, be approved.

Motion passed 6 – 1, Director Sylvia voted Nay.

Upon a motion duly made and seconded, it was

VOTED: That the minutes of the Executive Session of December 20, 2011, be approved.

Motion passed 5 – 2, Directors DeMelo and Sylvia voted Nay.

AUDIT FINANCE

Director Klepper reported:

Old Business

- 1. Meter Replacement Program Update, Verbal progress report given at subcommittee meeting by Mr. Joseph Granata.**
- 2. Janitorial Services, East Coast Cleaning of Warren, Mr. Granata stated that the cleaning of the offices is going very well. East Coast Cleaning will begin cleaning the offices after working hours.**
- 3. FY13 O&M Budget, Manager of Accounting and MIS, Mr. Mark Champagne stated that minor changes were made to the budget, to Public Relations advertising, Production Dept. brush cutting, and repair work to dams.**

Director Nencka asked about the Authority's maintenance of the debt service ratio. Mr. Champagne stated that the Debt Service Ratio of 1.25 to 1 is projected to be met and this ratio is monitored monthly by him.

Director Fitta asked if the IFR Program was funded by a budget item.

Mr. Champagne stated that it was not.

Legal Counsel Ms. Sandra Mack stated that she will distribute to the Board her analysis for the Renewal and Replacement Fund and the IFR Program requirements which allows for funding by debt.

4. Funding of High Service Area Expansion, Workshop sent for January 18, 2012 at 6:00 pm. Mr. Granata stated that notices have been sent to all elected officials inviting them to the workshop, as well as public notice.

Discussion followed concerning betterment assessments, with Ms. Mack stating that BCWA does not have specific authority pursuant to its Enabling Legislation to assess groups of people for water main replacement or new construction.

Director Sylvia stated that the cost should not be borne by Bristol rate payers alone; all three towns own the water company and all rate payers should share the expenses.

Ms. Mack stated that BCWA has Rules and Regulations that address assessments for new water mains in new commercial development, but to her knowledge, the Authority has no rules for assessment to a group of rate payers for replacement of existing mains. Staff confirmed this.

New Business

1. Computer Software/Presentation by Aurora Technologies, Inc.,
Roger Warrender from Aurora Technologies, Inc. made a presentation
at subcommittee meeting. Legal counsel recommended that BCWA
go out to RFP for Computer Software Consulting.

Director Gosselin stated that he had attended the Warren Town
Council Meeting and the Council voted against sharing legal
expenses for the B&E Report. Also, the Council would like BCWA to
defer the RFP for consulting of computer software until the new
executive director is hired because he could have some knowledge of
new software and BCWA would save \$20,000.

Mr. Granata recommended that the RFP be advertised now but with a
clause stating BCWA would have the option to reject all bids for any
or no reason. A new computer system could cost BCWA between
\$150,000 to \$300,000.

Director Klepper stated that BCWA should move ahead with
advertising for the RFP.

Director Klepper made the following motion which was duly
seconded

MOTION: To prepare and advertise a RFP for Computer Software
Consulting.

Motion passed unanimously.

2. Rate Assessment, Mr. Granata stated that this item was carried over from the Ad Hoc Committee.

3. Pension Issues (Request to address Board by Gary Morse).

Mr. Morse stated that BCWA's actuarial numbers are not adding up to him. Mr. Morse requested pension information from Mr. Champagne, which he acknowledged he had received. Mr. Morse stated he has concerns with the lump sum of the pension plan even though he has received assurances from BCWA's actuary. Mr. Morse said he believed the actuary is optimistic compared to real world assumptions.

Director Klepper stated that BCWA has followed the actuary's recommendations for contributions to the pension plan and Washington Trust has stated that BCWA's pension plan is 92% funded. He noted that it was one of the best in the state; Ms. Mack noted that in the last bond credit analysis, the high funding of the pension plan was highlighted as a positive financial attribute of BCWA.

Mr. Morse stated BCWA's actuary should redo his calculations of the pension plan using 6% instead of 8% and his calculations should be done using employees retirement age of 62.

Director Klepper stated that if an employee retires before the age of 62, he will receive less money from the plan.

Chairman Jannitto noted that Mr. Morse had repeatedly stated to the Board that the pension plan is being underfunded by the Board. The Chairman asked Mr. Morse if he was an actuary, an expert on pension funds. Mr. Morse replied that he was not an actuary.

Public Relations/Personnel

Director Gosselin reported:

Old Business

- 1. Update of Search for Executive Director, Exit interview completed.**

Director Sylvia stated that Directors Klepper and Nencka had done a good job with the exit interview.

The Chair recognized Ms. Marina Peterson who asked if the resumes for the executive director's position had been vetted.

Director Klepper stated that all applications are not vetted. The applications were ranked by the 3 town managers and one volunteer from Warren, and the top 6 candidates were scheduled to be interviewed by the Board. After the Board narrows the list, the top candidate(s) will then be vetted, as is the normal procedure in hiring.

2. Transition of Executive Director Duties, Staff preparing all necessary monthly reports in house and the transition has gone well.

New Business

1. Employee Contribution to TDI (Requested by Director Gosselin), to be included in Union negotiations.

2. Review of BCWA Policy (Request for Public Records), for benefit of new directors. BCWA Policy was updated in 2010.

Engineering

Director Fitta reported:

Old Business

1. RIWRB Refund Requisitions, Refund requisitions have been sent.

2. Anawan, Received Anawan Inspection/Evaluation Report, Phase I prepared by PARE Engineering.

Assistant Engineer, Mr. Richard Fennessy, stated that storm damage to Anawan will cost \$27,751, BCWA has until 10/31/12 to complete the work and then it will be able to be reimbursed from FEMA.

Mr. Tim Thies, from PARE Engineer, stated that he will be able to supply the Board with a priority list, with consideration for FEMA reimbursement. Mr. Thies stated that the Anawan Inspection Report cost \$3,000. Ms. Mack recommended that the report be sent to the

appropriate authority at the Commonwealth of Massachusetts.

3. FY13 Capital Budget, Mr. Champagne stated that the BCWA capital budget lists approximately \$250,000 for capital projects with the priority of projects dependent upon available capital and Board approval as to project priority.

4. Franklin Court Assisted Living Center. Distribution Superintendent Mr. Raymond Johnson stated that he had not yet received information on the pumps at Franklin Court. PARE Engineering did a C Factor test and the pipes were heavily tuberculated. To clean and line the existing 6" main would cost BCWA \$125,000 and to replace the main and services would cost BCWA about \$280,000.

The Chair recognized Ms. Bazinet who stated that she would not be comfortable with just cleaning and lining the main. BCWA told her it should be replaced. Ms. Bazinet's engineer told her if the main is relined the pipes might burst, this is an extremely populated area.

Engineering Technician Ms. Susan Andrade stated that there may still be a problem after the main is lined.

The Chair recognized Mr. Charpentier who stated that he had forwarded all of his information to Mr. Paul Ramsay, and that it cost approximately \$15,000 to camera line the main.

The Chair recognized Bristol Fire Chief Martin who stated that he had a concern with 2 fire hydrants on Franklin Street with low pressure. Chief Martin asked the Board to make it a priority to fix this main.

Mr. Raymond Johnson stated that he had proved, with testing, that those hydrants were sufficient.

Director Sylvia stated that the Board will look to staff to recommend replacing or lining the main. He stated that he will fight to replace the line.

Chairman Jannitto asked Mr. Granata for information on funding this project and to report back to the Board. Ms. Mack noted that it may qualify for RICWFA for drinking water/pressure purposes but not fire safety.

New Business

1. Water Resources Board Strategic Plan, Presentation by K. Burke.

Mr. Burke stated that the RIWRB has been working with the Authority on an alternative for a redundant source of water for BCWA from Pawtucket. The alternative plan being considered would be to construct a pipeline to Pawtucket Water, and East Providence and tie in to BCWA. He noted that the State would still require BCWA to maintain its reservoirs and water rights in Massachusetts even with this alternate solution.

He also said that legislative action is needed to “repurpose” BCWA’s \$6.9 million for this project and the item must be on the November ballot for this year. This would take the money away from the Shad Line/Water Treatment Plant and reallocate it to the Pawtucket – East Providence – BCWA connection.

Director Klepper questioned who would pay for the maintenance of the reservoirs in Massachusetts if BCWA’s \$6.9 million is repurposed.

Mr. Burke stated that the State would not appropriate any more money to BCWA. The ratepayers would be responsible to pay for the maintenance of the reservoirs and the treatment plant in perpetuity to maintain the Shad Line/Treatment Plant.

Director Klepper stated that BCWA’s citizens have already paid dearly for the East Bay Pipeline and that the original legislation and Water Supply Act stated that it was the State’s funding responsibility.

Mr. Burke stated that the Water Resources Board has endorsed this project and at a conceptual level this alternate line will cost \$9.8 million.

Director Klepper stated that the Town Councils must be on board with this project. Whatever the cost, it has to be fair.

The Chair recognized Mr. Hewitt who stated that BCWA plus the Towns must make a decision first before any changes are made to the legislation.

Director Sylvia noted that Pawtucket and East Providence will benefit from the alternate solution and pipeline.

Mr. Burke stated that the line will be 24", and that 10 MGD will be split between East Providence and BCWA. The legislation would require BCWA to purchase a minimum of 1 MGD at a price to be negotiated. Mr. Burke noted that he met with Pawtucket and East Providence, and they are in favor of this project. He also noted that the Water Resources Board's counsel is already working on a change to the legislation. Director Klepper asked that a copy of the legislation be provided.

Chairman Jannitto stated that a Tri-Town Meeting is needed to discuss this.

The Chair recognized Representative Jan Malik who stated that if the State rejects this project, he wanted legislative assurance that BCWA will maintain its legal right to the \$6.9 million allocated to BCWA for the Shad Pipeline/Treatment Plant.

NEXT STEPS

1. Public Relations/Personnel Committee Meeting, Wednesday,

February 1, 2012, 5:15 p.m., Warren Office, Boardroom, 450 Child Street.

2. Audit Finance Committee Meeting, Wednesday, February 1, 2012, 5:20 p.m., Warren Office, Boardroom, 450 Child Street.

3. Engineering Committee Meeting, Wednesday, February 1 , 2012, 5:25 p.m., Warren Office, Boardroom, 450 Child Street.

4. Board of Directors Monthly Meeting, Wednesday, February 8, 2012, 6:00 p.m., Warren Office, Boardroom, 450 Child Street.

The Chairman made the following motion, which was duly seconded

MOTION: To accept the dates for the February meetings.

Motion passed unanimously.

The Chairman made the following motion, which was duly seconded

MOTION: To adjourn the meeting.

Motion passed unanimously.

There being no further business, the meeting was adjourned at 8:30 pm.

John Jannitto

Chairman